**BILL ANALYSIS**

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| Senate Research Center | S.B. 2052 |
|  | By: Nichols |
|  | Water, Agriculture & Rural Affairs |
|  | 4/14/2023 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Southeast Texas Groundwater Conservation District was created, authorized, and enacted by the passage of S.B. 1888 by the 78th Legislature, 2003. The district consists of four counties, Jasper, Newton, Hardin, and Tyler, and covers approximately 3,685 square miles. It is estimated to be the 11th largest groundwater district in Texas.

Since the district began collecting production fees, which is the source of revenue, it has maintained a rate of $0.07 per thousand gallons. Only recently has the district increased the production fee rate, to begin in the fourth quarter 2022. The new rate will be 1 cent per 1,000 gallons, the maximum it can charge. The district cannot levy a tax. The district has only one full­-time employee and no part-time employees.

S.B. 2052 would allow the Southeast Texas Groundwater Conservation District to raise the production fee rate from 1 cent per 1,000 gallons to 7 cents per 1,000 gallons.

Other groundwater conservation districts throughout the state have production fees as high as 22 cents per 1,000 gallons. Nearby groundwater conservation districts have higher production fees (actual current fees—not maximum allowed by legislation):

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| Southeast Texas GCD | currently 0.7 cents per 1,000 gallons | maximum | 1 cent |
| Pinewoods GCD | currently 2.5 cents per 1,000 gallons | maximum | 2.5 cents |
| Lower Trinity GCD | currently 4.0 cents per 1,000 gallons | maximum | 5 cents |
| Lone Star GCD | currently 8.5 cents per 1,000 gallons | maximum | no max limit |
| Bluebonnet GCD | currently 4.5 cents per 1,000 gallons | maximum | 17 cents |
| Brazoria County GCD | currently 3.0 cents per 1,000 gallon | maximum | 17 cents |
| Prairielands GCD | currently 20 cents per 1,000 gallons | maximum | 30 cents |
| Upper Trinity GCD | currently 22 cents per 1,000 gallons | maximum | 30 cents |

As proposed, S.B. 2052 amends current law relating to permit fees for groundwater wells imposed by the Southeast Texas Groundwater Conservation District.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 8868.153(c), Special District Local Laws Code, to prohibit the fee from exceeding seven cent per thousand gallons of groundwater withdrawn, rather than one cent per thousand gallons of groundwater, for any purpose.

SECTION 2. Effective date: upon passage or September 1, 2023.